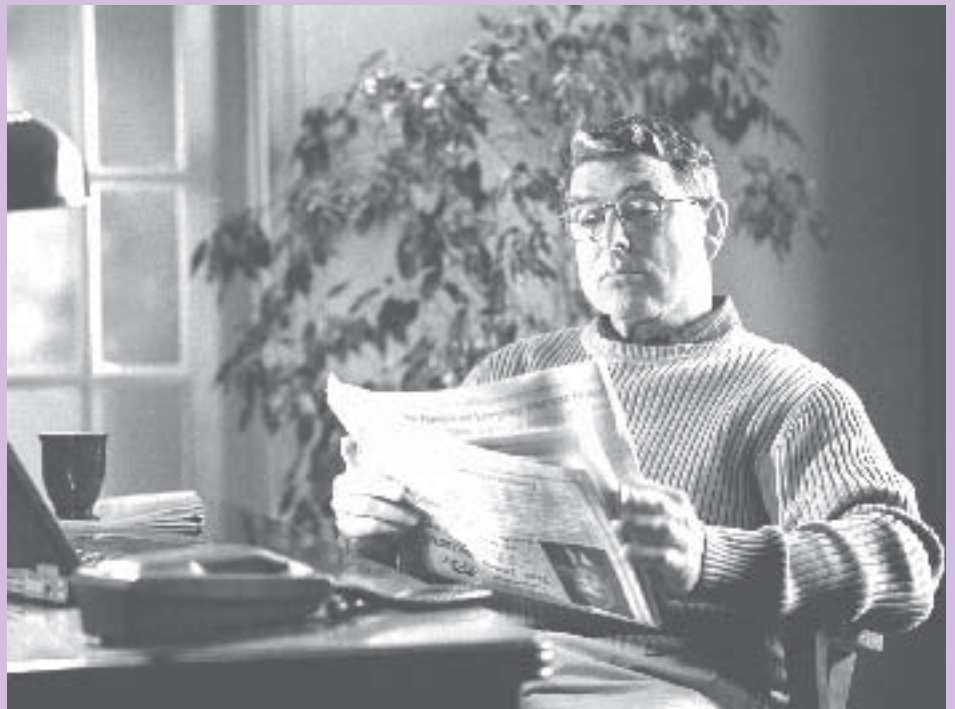


Applying for Your Retirement Benefit



Checklist for Completing Your Retirement Benefit Application

Have you . . .

- ☐ Completed your retirement application?
- ☐ Selected a payment option?
- ☐ Completed spouse information?
- ☐ Completed the named survivor information if you selected a joint and survivor option?
- ☐ Completed the Direct Deposit Authorization information (including a voided check if for a checking account?)
- ☐ Completed all tax withholding information?
- ☐ Signed and dated the application?
- ☐ Made a copy for your records?

Beneficiary Designation

Have you . . .

- ☐ Signed and dated the form?
- ☐ Made a copy for your records?



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Eligibility

To be eligible to receive a Wisconsin Retirement System (WRS) retirement benefit, the following six conditions must be met:

- 1. You must be at least age 55 (age 50 for participants with some protective employment category service* and certain participants who began covered Wisconsin teaching before May 11, 1973).
- 2. You must terminate all employment covered by the WRS. NOTE: Part-time elected officials age 55 or older may irrevocably waive that coverage if terminating all other covered WRS employment. If you are a part-time elected official, a waiver form (ET-4303) is included in this packet.
- 3. You must remain terminated from all employment that meets participation standards with a WRS employer for at least 30 days after your termination date, 30 days after the date you file your application, or until after your benefit effective date, whichever is latest. If you return to the same WRS employer from which you retired, the 30-day requirement applies to all WRS employment regardless of whether it is covered for retirement purposes.
- 4. You must not be on a leave of absence or in layoff status.
- 5. You must submit a completed application to the Department of Employee Trust Funds. Failure to complete certain critical portions of the form may result in your application being rejected as invalid and your subsequent application being treated as a new application for purposes of receipt date. This could result in a loss of benefits. (See the check list on the inside cover.)
- 6. The Department must receive your completed application prior to your death. Applications received after death are invalid.

If you terminate WRS employment due to a disability, you should contact the Department about eligibility for disability benefits before you apply

for a retirement benefit. Taking a retirement benefit may affect eligibility for disability benefits.

When To Apply

If you are currently working, you may apply up to 90 days before your termination date. If you are not currently working in a position covered by the WRS, you may apply up to 30 days before your 55th birthday (50th birthday for participants with some protective employment category service* and certain participants who began covered Wisconsin teaching before May 11, 1973). If you are already age 55 (50), you may apply up to 60 days before your benefit effective date.

EXAMPLE:

Termination Date	November 2
Department can accept your application as early as:	August 4
Earliest annuity effective date:	November 3
First payment date:	December 1

If you are inactive and delay applying for a monthly annuity, you forfeit payments that you may never recover. If you die before applying, your survivors may receive only half of your account balance.

If you apply more than 90 days after you terminate your employment, you will not be eligible for an immediate annuity and you will lose one or more months of benefits. If you have group

health and life insurance administered by this Department, you may lose those benefits if you do not have an immediate annuity. An immediate annuity begins within 30 days of your termination date. If you want to apply for the Local



Annuitant Health Program, you should apply for

* You cannot receive a retirement benefit until age 55 if your only protective category service is purchased service (e.g. Forfeited protective category service that you have purchased).

your retirement benefit within 60 days after you terminate. These time limits are determined by the date the Department receives your application, not the date it is mailed.

If your retirement annuity is based on a money purchase calculation, indicated on your estimate, or if you are considering applying for your additional contributions, interest crediting could affect your decision about when to apply. The core fund (previously referred to as the fixed fund) annual adjustment and variable fund gains or losses are applied each December 31 to that year's beginning balances. If you apply for a monthly benefit, you receive 5% annual interest prorated on your January 1 balance until the end of the month prior to the month in which your annuity is effective. If you are applying for a lump sum payment, prorated interest will be paid from January 1 through the end of the month before your benefit is approved for payment.

Benefit Effective Date

Annuities are usually effective the day after you terminate covered employment. Annuities that are not effective on the day after you terminate, must always be effective on the first of a month. The effective date cannot be more than 90 calendar days before the date we receive your completed application form.

Benefit Payment Options

Life Annuity (all annuities are paid for the lifetime of the annuitant). You can select:

- The "For Annuitant's Life Only" option (no benefits payable on death of annuitant) or;
- An option to protect a beneficiary(ies) with 60 or 180 payments guaranteed from the date the annuity begins. The guaranteed payments cannot exceed your life expectancy based on federal actuarial tables. This will only affect you if you are age 85 or older, or;

- A joint and survivor option to provide your named survivor with benefit payments for his or her lifetime, following your death.

Lump Sum Payment: If your life annuity would be less than or equal to \$149 per month, you are eligible only for a lump sum payment. If your life annuity would be more than \$149 but less than \$302 per month, you may choose either a lump sum payment or a monthly payment option. The \$149 and \$302 amounts for 2006 increase annually. If you select a lump sum payment, any additional contributions (regular and tax deferred) will be included in your payment.

Accelerated Payment Options:

These options are available only if you are under age 62. You will receive a higher monthly WRS benefit until you reach age 62 and presumably are eligible for Social Security benefits. An accelerated payment option consists of two parts: a life annuity in the option form you select, and a temporary annuity that ends when you reach age 62 (or die, whichever occurs first). The amount of the life annuity after age 62 in the For Annuitant's Life Only option must be more than \$149 at the time of retirement (in 2006, increased annually) for accelerated payments to be an available option.

Your payment options are described in more detail in the booklet entitled *Choosing an Annuity Option* (ET-4117) which is included in your annuity packet.



Who May Sign the Application

THESE RULES ALSO APPLY TO SIGNING A BENEFICIARY DESIGNATION.

A guardian or conservator of the estate may sign a benefit application on behalf of an individual.

However, an application signed by a guardian or conservator of the estate is valid only if a photocopy or facsimile of an order of guardianship or conservatorship is also submitted. Copies of these documents should be either signed by a judge, have a judge's signature stamp, or have the stamp of a clerk of courts.

A person who has been granted Power of Attorney may be eligible to sign an application on behalf of the member.

If a participant is unable to sign his/her name on the application, but can mark an "X" in the signature box, the application is valid if the mark is witnessed by two people who have no beneficial interest in the member's benefits. Witnesses must sign and date the application next to the mark.

Spousal Consent

Required Contributions: If you have been married for at least one full year immediately preceding your annuity effective date, your spouse's signature is required on the application by law unless you select a joint and survivor annuity with your spouse as the named survivor. Spousal consent is not necessary if you are only eligible for a lump sum payment from your required contributions.

NOTE: A spouse should NOT sign the spousal consent if he/she wants to preserve his/her spousal rights to being the named survivor for a joint and survivor annuity option.

Additional Contributions: Spousal consent is not required for benefits from regular additional or tax deferred additional contributions.

Canceling Your Application

To cancel your application for a monthly annuity, this Department must receive your written request to cancel no later than the last working day before the 21st day of the month in which your first month-

ly payment is dated. To cancel an application for a lump sum payment, your written request must be received by the Department no later than the last working day before the date of your check. If you cancel your application, it becomes void and you must request and complete a new application the next time you wish to apply for a benefit. If you receive a payment and your cancellation is accepted by the Department, you will be responsible for the repayment of the monies.

Monthly Payments

Paper checks are dated for the first of the month and are mailed on the last business day of the previous month. To avoid possible postal delays, you should consider direct deposit of your payments. If you complete the Direct Deposit Authorization section on page 2 of your application, monthly payments will be electronically transferred to your financial institution by the first business day of the month.

Your first payment will normally be based on the amount shown on your *Retirement Benefit Estimate/Application*. Your first monthly payment should arrive within six weeks after your benefit effective date and will include payments retroactive to that date. (Your payment is pro-rated if you work part of the first month.)

If you are receiving other monthly benefits from the WRS, all benefits will be combined into one monthly payment. The address, direct deposit authorization, and/or withholding election from your most current application will apply to all of your monthly benefits.



Changing Your Payment Options After You Apply: A request must be written and received by the Department within 60 days after the date of your first payment. If you have applied for a lump sum payment, you must cancel your application and re-apply.

Final Calculation of Your Annuity

After your employer reports your final earnings and service, the Department will calculate the final amount of your annuity. Your payment amount will be adjusted retroactively to reflect the final amount. The final calculation is usually done three to six months after your first payment. You will receive a *Notice of Final Retirement Annuity Calculation* when your final annuity is calculated.

Future Benefit Changes

Core Adjustment: Eligibility for the core adjustment is based on your benefit effective date. If there is a core adjustment for a given year, it is payable on May 1 of the following year. For the first year after you retire, the adjustment is prorated based on the number of complete months your annuity was in effect during the previous year. If your annuity begins on the first of a month, you will receive a prorated adjustment for that month; but if your annuity begins on or after the second day of the month, you will not receive a prorated adjustment for that month. In subsequent years you will receive the full core adjustment. The core annuity will never go below its original final amount.

Variable Increases/Decreases: If you participate in the variable trust, you will receive the full variable increase or decrease every May 1 after the year in which you retire.

Disability Retirement or Long-Term Disability Insurance

If you have become totally and permanently disabled and are unable to engage in gainful employment, you may qualify for WRS disability benefits or Long-Term Disability Insurance (LTDI). Strict time limits apply to eligibility for disability benefits.

If you believe that you may qualify, contact this Department immediately for information about disability benefits before filing a retirement application.

An employee in the protective employment category may also qualify for a special disability or LTDI benefit if disabled to the extent that he or she can no longer safely and efficiently perform the duties of that protective category position. The protective employee must be between ages 50 and 55 and have at least 15 years of creditable service to qualify for this special disability or LTDI benefit.

Commonly Asked Questions by Retiring Participants

When should I contact ETF about my retirement?

Contact us for retirement estimates six to 12 months before your anticipated retirement date. We will provide estimates up to one year in advance.

When may I apply for retirement?

If you are currently working, you may apply up to 90 days before your termination date. If you are not currently working in a position covered by the WRS, you may apply up to 30 days before your 55th birthday (50th for protective category employees and certain teachers). If you are already age 55 (50), you may apply up to 60 days before your benefit effective date.

Will I lose benefits if I don't apply for retirement immediately?

No. If we receive your application within 90 days after your termination date, we will include retroactive payments. However, if we receive your retirement benefit application more than 90 days after you terminate employment, you will lose some benefits since your annuity cannot be backdated to your termination date. This may also affect life and health insurance benefits for participants whose employers offer benefits through the WRS.

I am thinking of selecting an accelerated payment option. How does this affect any payments when I retire and what happens when I reach age 62?

The accelerated payment options may be available if your WRS annuity begins before you reach age 62. They provide a higher annuity than the regular options before you reach age 62, at which time you can apply for your federal Social Security pension. Under these options, when you reach age 62 (or die, whichever comes first) your WRS annuity decreases by the approximate amount of your projected Social Security benefits. The intent is that your before-age-62 annuity from the WRS alone is approximately the same as your combined income from the WRS and Social Security after you reach age 62. This cannot be guaranteed, however. There is no adjustment in the WRS benefit or Social Security if there is a difference after you are age 62. See *Choosing an Annuity Option* brochure for more information.

When I approach age 62, does your Department contact Social Security about starting my benefit under their program?

No. It is your responsibility to contact the Social Security Administration (SSA) about starting your benefit, normally about three months before you reach age 62. You can call SSA at 1-800-772-1213 for information.

When are the WRS checks mailed? Can my checks be sent to my bank or other financial institution?

The checks are sent to the U.S. Postal Service on the last business day of each month with delivery occurring at the beginning of the next month. If you want your monthly benefit deposited electronically, complete the Direct Deposit Authorization section on page 2 of your application. It's the fastest and safest method to receive your payments. If you change banks in the future, complete our authorization form, ET-7282, available upon request or on our web site etf.wi.gov.

When will I receive my first payment?

If you apply 45-90 days before your annuity effective date (normally the day after your termination date), you should receive your first payment about six weeks after your termination date. Your pay-

ment will include payments retroactive to your annuity effective date. The payment you receive on the first of each month is for the preceding month.

What if I retire during a month rather than on the first of the month? Will I be paid for the entire month?

No. You are paid retirement benefits only for the days you are actually retired. Your first payment could be for a partial month or for a full month plus a partial month. For example, if your last day of work is May 20, your annuity effective date is May 21. This means that we would add payment for May 21 through May 31 to the payment for the month of June, which you would receive on the first of July.

I am having my check sent to my home. What if it doesn't arrive on the first?

If your check does not arrive in the mail, you must wait until the 12th of the month before contacting us. (Most checks arrive by the 12th. If you request a replacement check, we stop payment on your original check and it can no longer be cashed if it is delivered.) If you know that your check was thrown out by mistake, stolen, or destroyed, you should contact us immediately. We will stop payment on the missing check and have a replacement check issued. You may want to consider having your check directly deposited into your checking or savings account. This would avoid any delays due to mail service.

For how long after I retire will my annuity payments be based on the amounts from my annuity estimates?

If you are a recent retiree, it usually takes from three to six months after you retire for us to do the final calculation of your annuity. When the final calculation is done, we will send you a final calculation notice that provides the total service, earnings and account balance information on which your final calculation was based. Any retroactive adjustments due for under- or over-payments will be made to your subsequent payment(s).

Do I receive an *Annuity Payment Statement* every month?

No. An *Annuity Payment Statement* is sent only when there is a change in your annuity net pay-

ment (including tax withholding and insurance deduction changes).

Do my retirement checks increase after I retire?

Each year on the May 1 annuity payment, an adjustment is applied to the core portion of your annuity payments. (If you do not participate in the variable trust, your entire annuity is a core annuity and the core adjustment will apply to your entire annuity.) This is not a cost-of-living increase; it is an adjustment based on the investment results of the core investment trust. The core monthly annuity is guaranteed by law never to be less than the original final amount.

The adjustment is a percentage increase or decrease in your monthly annuity. The adjustment paid on May 1 during the first year after you retire is prorated based on the number of months you were retired during the previous calendar year. After the first year you receive the full adjustment every year.

If the adjustment based on the investment results would be less than .5%, no adjustment is granted. The gains or losses are held over until the following year and included in that year's adjustment.

I am in the "variable" trust fund. Do I receive adjustments? Can I transfer to the "core" fund after retirement?

Every May 1 we apply a variable adjustment to the variable portion of your monthly annuity, based on the investment results of the variable trust. The variable portion of your annuity can increase or decrease each May 1. You may transfer to the core fund by submitting a completed *Election to Cancel Variable Participation* form (ET-2313) to this Department, which becomes effective on the January 1 after it is received by the Department.

A statutory change closed the Variable Trust Fund effective April 29, 1980, and allowed existing variable participants to cancel their variable participation. Another statutory change legislated by 1999 Wisconsin Act 11 re-opened the Variable Trust Fund to new enrollments for active WRS participants on or after January 1, 2001. This change does not apply to retirees.

Participants who elect to join the Variable Trust Fund remain in that program unless they elect to cancel their participation. Once a participant cancels participation in the Variable Trust Fund and the cancellation goes into effect, there is no opportunity to rejoin.

Can I change my mailing address over the telephone?

Yes. Upon proper identification, we can accept your home address change over the telephone if your check is directly deposited into a financial institution. If a paper check is going to your home, you must write us to change your address. You must request the change yourself. Another person acting on your behalf cannot make an address change for you by telephone. An address change form is available upon request, or you may provide this information in a letter to the Department. Be sure to sign and date your letter.

Can I change my withholding for taxes after I retire?

Yes. You can change your federal and Wisconsin state income tax withholding election at any time. You can change your withholding by contacting our Department or completing an election form that is available for downloading from our Internet site. Please allow up to 30 days for the change to be reflected in your payments.

Will I receive a statement for income tax purposes after I retire?

Yes. Every year prior to January 31 we will send a 1099-R tax statement to you for the previous year. This form provides important tax information necessary to file your income tax return.

If you have multiple WRS annuity records, such as you receive an annuity from both your own WRS account and as a beneficiary of another account, you will receive a separate annual 1099-R tax statement for each of your annuity records. It is important that you file copies of all your 1099-R forms with your annual tax returns.

What is printed on the 1099-R tax statement?

The year's gross and taxable annuity payments, federal and Wisconsin state tax withholding, health and life insurance premiums and your investment

in contract (amount of contributions actually paid by you) are printed on the 1099-R form.

When can I return to work for a WRS employer after I retire?

You must remain terminated from all employment that meets participation standards with a WRS employer until the latest of: the day after your annuity effective date; the 31st day after your WRS employment termination date; or the 31st day after the date the Department receives your retirement benefit application. If you return to the same WRS employer from which you retired, the 30-day break requirement applies to all employment whether it meets participation standards or not.

What happens if I return to work?

Work not covered under the WRS has no impact on your retirement benefit. If you return to work for any WRS employer in a qualifying position, you have two choices:

1. Remain an annuitant. If you decide to remain an annuitant, you should file form ET-2319 (*Rehired Annuitant Election*) with your employer electing not to participate in the WRS as an active employee. If you do not elect active WRS coverage at this time, you may elect it in the future, depending on eligibility.
2. Elect coverage under the WRS. You can elect to become covered under the WRS at any time. If you choose to be covered by the WRS again, you must also file the election form (ET-2319) with your employer. Your employer will forward this form to the Department. Your annuity will be terminated and your WRS coverage will begin effective on the first of the month after the Department receives your completed election form.

Special rules apply on disability benefits. If you are receiving a disability benefit, please contact the Department if you would like further information about how earnings can affect your disability benefit.

If my employer participates in the group life insurance benefits offered through Employee Trust Funds, do I have to contact the insurance company for further information on continuing my coverage?

No. Our office will review your file for life insurance coverage and will advise you of continuation provisions when we provide retirement information. In most cases we will automatically deduct premiums from your annuity until age 65 with no further action on your part. This information is included in your retirement packet.

I am *not* a state employee, but my employer participates in the Group Health Insurance Program through Employee Trust Funds. How do I continue this health insurance when I retire?

We will include information about continuing your coverage in your retirement packet. If your former employer does not pay the premiums, they are automatically deducted from your annuity if it is large enough. If your annuity is not large enough to cover the premiums, you will be billed directly by the insurance company. You will receive the “Dual-Choice” book each year and have enrollment rights.

I am a state employee and have sick leave credits. How does this affect my health insurance premiums when I retire?

Your sick leave credits will automatically be used to pay the premiums for your health insurance. When your sick leave credits are exhausted, your premiums will automatically be deducted from your annuity. If your annuity is not large enough to cover your premiums, you will be billed directly by your insurance company. If you have comparable health insurance, you may escrow your sick leave credits for an indefinite period of time, but you must be insured under the State Group Health Insurance Program at the time of retirement. If your spouse is a state employee with “family” coverage, your sick leave credits are automatically held in reserve for you.

I am a state employee with no sick leave. What happens to my health insurance?

Your premiums will automatically be deducted from your annuity. If your annuity is not large enough to cover your premiums, you will be billed directly by your insurance company. All insured state employees have annual “Dual-Choice” rights.

What happens to my health insurance when I or my spouse reach age 65? Are we required to enroll in Medicare? Will I be notified?

When each of you reach age 65, each must enroll in Medicare (both parts A & B) to continue state or local health insurance. We will automatically mail you a reminder before your 65th birthday. Your premiums decrease when either of you are enrolled in Medicare (both parts A & B). You will need to provide the Department with a copy of your Medicare card.

Great effort has been made to ensure that the information in this circular is accurate. However, if there is any conflict between the information and the law, the law must be followed.

The Department of Employee Trust Funds does not discriminate on the basis of disability in the provision of programs, services or employment. If you are speech, hearing or visually impaired and need assistance, call toll free at 1-877-533-5020 or (608) 266-3285 (local Madison) or TTY (608) 267-0676. We will try to find another way to get the information to you in a usable form.

For Additional Information

Contact the Department of Employee Trust Funds

Self-Service Toll Free Telephone Services

Available 24 hours a day, seven days a week. You must have a touch-tone telephone to use these systems.

SELF-SERVICE LINE: Call 1-877-383-1888 or (608) 266-2323 (local Madison) to request forms or brochures. Wisconsin Retirement System annuitants may also change their home mailing address or tax withholding election through this self-service line.

TELEPHONE MESSAGE CENTER: Call 1-800-991-5540 or (608) 264-6633 (local Madison) to hear detailed recorded messages covering a variety of Wisconsin Retirement System topics.

Note: You will not be able to talk to a "live" person using these systems. To speak to a benefits specialist, call the telephone numbers listed below.

Visit our Internet Site

Access the Internet site at: etf.wi.gov. A tremendous amount of information is online regarding the Wisconsin Retirement System and other benefit programs. You may e-mail the Department through this site.

Call During Office Hours

Office Hours: 7:45 am to 4:30 pm Monday through Friday
(except holidays)

Toll Free: 1-877-533-5020

Madison: (608) 266-3285

TTY: (608) 267-0676 (Teletypewriter for hearing & speech impaired)

Appointments: (608) 266-5717 (Madison)
(414) 227-4292 (Milwaukee)

Write Us

Department of Employee Trust Funds
P. O. Box 7931
Madison, WI 53707-7931

Visit Us

Madison: **An appointment is recommended**
801 West Badger Road

Milwaukee: **An appointment is required**
Until July 9, 2006: 819 North Sixth Street, Room 550, in Milwaukee
As of July 10, 2006: **NEW OFFICE** 141 N.W. Barstow Street, in Waukesha

Department of Employee Trust Funds
Wisconsin Retirement System
P.O. Box 7931
Madison, Wisconsin 53707-7931